

DRAFT REGULATORY CONCEPT PAPER
FOR DISCUSSION AT
APRIL 30, 1996
PUBLIC WORKSHOP TO DISCUSS THE 1998 55 PERCENT
VOC HAIRSPRAY STANDARD

To address the industry's request for additional time to meet the 55 percent volatile organic compound (VOC) hairspray standard, the Air Resources Board (ARB) staff has analyzed four draft regulatory concepts. The draft concepts are briefly described below with a summary of potential advantages and disadvantages of each. This draft regulatory concept paper provides a starting point for discussion at the April 30, 1996 public workshop. We encourage any additional proposals for concepts for discussion and consideration.

CONCEPT #1: "Extend Standard to January 1, 2002 with Technology Review in the Year 2000"
(Proposed by The Cosmetic, Toiletry and Fragrance Association (CTFA))

The CTFA proposes that the January 1, 1998 VOC standard of 55 percent be postponed to January 1, 2002. Furthermore, the CTFA proposes that the ARB commit to a technology review of the 55 percent standard in the year 2000.

Pros:

- Gives industry additional time to develop and market 55 percent VOC hairspray products.
- Minimizes disruption to the current market.
- Gives additional time for raw material suppliers to enter the market.

Cons:

- Will result in a 14 ton/day State Implementation Plan (SIP) emission reductions shortfall in 1999.
- Includes no mechanism to make up the SIP shortfall.
- Disadvantages product manufacturers and raw material suppliers that have invested considerable research and development effort to produce a marketable 55 percent product by 1998.
- May discourage product manufacturers and raw material suppliers from continuing research and development efforts.
- Year 2000 review may discourage product manufacturers from diligently pursuing efforts to attain the 55 percent limit.

CONCEPT #2: "Maintain 1998 Standard and Encourage Use of Existing Regulatory Options"

Maintain the January 1, 1998 hairspray standard at 55 percent VOC

and encourage use of the Alternative Control Plan, innovative product provision, and variance provision. The sell-through provision will also be available.

Pros:

- Preserves the SIP emission reductions and avoids a SIP shortfall if product manufacturers provide the reductions through alternate means.
- Sustains momentum for those product manufacturers and raw material suppliers that have invested substantially in developing 55 percent VOC products by 1998, and encourages continued innovation by product manufacturers and raw material suppliers to comply with the 55 percent VOC standard.

Cons:

- A number of major product manufacturers have indicated that they will not be able to meet the 1998 standard. Therefore, numerous variance applications may be filed and processed.
- More resources would be needed by both industry and ARB to apply/process Alternative Control Plans, innovative product and variance applications.

CONCEPT #3: "Extend Standard to June 1, 1999 and Encourage Use of Existing Regulatory Options"

Extend the standard effective date from January 1, 1998 to June 1, 1999 with an 18-month sell-through period through November 30, 2000. If additional time is required, product manufacturers could use the Alternative Control Plan, innovative product and variance provision options. This proposal provides product manufacturers with 1.5 additional years to reformulate their products. Product manufacturers also have the 18-month existing product sell-through period beyond May 31, 1999.

Pros:

- Provides the critical SIP emission reductions needed by the 1999 ozone season to meet federal Clean Air Act (CAA) deadlines for attainment and interim progress in California.
- Provides industry with additional time (1.5 years plus 18-month sell-through period) to develop complying products.
- Eighteen-month sell-through period will allow noncomplying products manufactured prior to June 1, 1999 to be sold through November 30, 2000.
- Minimizes disruption to the current market.
- Allows more time for additional product manufacturers and raw material suppliers to enter the market.
- For companies needing additional time beyond the June 1, 1999 effective date, the Alternative Control Plan, innovative product, and variance provision options may be used.

Cons:

- Disadvantages product manufacturers and raw material suppliers who may have marketable products that can meet the 1998 standard.
- Uncertainty and delay could discourage new product manufacturers and raw material suppliers from entering market.

CONCEPT #4: "Extend Standard to June 1, 1999, with Voluntary Compliance Plan Option Including Mitigation to Extend Standard Further to January 1, 2002"

Extend the standard effective date from January 1, 1998 to June 1, 1999, with a voluntary option to further extend compliance to January 1, 2002. Companies who request an extended compliance date must provide mitigation measures to offset excess emissions. Excess emissions are those occurring as a result of products exceeding the 55 percent VOC standard between June 1, 1999 and the requested final compliance date, which will be no later than January 1, 2002. In the event the ARB revises the regulation to incorporate this concept, guidelines for mitigation measures would be developed and workshopped by ARB staff prior to June 1, 1999.

Pros:

- Provides the critical SIP emission reductions needed by the 1999 ozone season to meet CAA deadlines for attainment and interim progress in California.
- Addresses CTFA concerns by providing additional time for product manufacturers and raw material suppliers to develop 55 percent products.
- Minimizes disruption to the current market.
- May encourage innovation in other consumer product categories.

Cons:

- Resources required by both industry and ARB to develop, monitor, and enforce the mitigation plans could be substantial.
- Uncertainty as to how excess emissions will be mitigated and if the United States Environmental Protection Agency (U.S. EPA) will approve the mitigation concept.
- Disadvantages those product manufacturers and raw material suppliers who are ready to meet 1998 standard.